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## RED = ETHICS QUOTA

### For contracting staffs, Katrina is only latest challenge

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The contracting community thought it had enough on its hands last year before Hurricane Katrina struck. There was its battered public image, coupled with heightened government scrutiny of the profession, and the pressure that comes with a colossal workload and a declining work force.

Then, the wreckage of the Gulf Coast sent contracting staffs scrambling. They worked overtime and on weekends, calling for help across agencies to buy housing, supplies, debris-removal services and other necessities.

The Gulf Coast hurricanes have combined to create a looming procurement chore for the year ahead. Part of this task will be to re-examine the many no-bid contracts initially awarded in the hurricanes' aftermath and seek new bids on many of them.

In addition to the contracting work ahead to rebuild the Gulf Coast, procurement managers and staffs have other things on their minds for the new year. There will be new training and certification standards they must meet. There is sure to be continued scrutiny of their work as the administration seeks to curb improper contracting practices. And policymakers will give high-level attention to policies affecting interagency contracting and strategic sourcing.

Interagency contracting has been getting a lot of attention. The Office of Management and Budget's procurement policy office convened an interagency working group on the practice, in which agencies rely on other agencies to carry out their procurements. The practice is growing more popular because it's convenient and allows some agencies to rack up fees by charging other agencies for their acquisition services.

But the Government Accountability Office dubbed the practice risky last January because the roles and responsibilities of the agencies participating are often muddled, leading to accountability problems.

The Defense Department had that problem while contracting through the General Services Administration, said Domenico Cipicchio, acting director of procurement acquisition policy at Defense. Each agency might assume that the other is doing particular tasks to ensure that the contract is carried out properly, for instance.

"The program office assumes that GSA is doing the contract administration, and oftentimes GSA assumes that the program office will take care of whether or not the work's being done, and they don't really do the real contract administration the way it should be done," Cipicchio said. "What we want is better definition up front and clarification of the roles and responsibilities" of various officials involved in the contract, he said.

The department saw other problems in its dealings with GSA, he said: Contracting officials would too readily turn to GSA for procurements that were better handled in-house. Special Defense purchasing requirements, such as the Berry Amendment rules requiring certain Defense purchases to be domestically produced, would fall through the cracks.

Another problem, detailed in a Defense inspector general's report in July, is that Defense officials would unlawfully "park" money in GSA's information technology fund to extend its use beyond the year it was meant for.

Defense will continue educating its contracting officials this year about how to properly contract through GSA and other agencies, Cipicchio said.

GSA is doing the same type of thing, developing a transaction "playbook" to improve its contracting officers' dealings with other agencies, in part through better contract management and better understanding of their funding requirements, said Emily Murphy, GSA's chief acquisition officer.

"Almost everything we do is interagency contracting," she said.

Contract management and other post-award tasks are "ripe for improvement," she told a contracting symposium last spring.

That's one reason OMB is seeking greater training for all government workers involved in procurements, including project managers, auditors and others who help carry out the contract once it's awarded.

This year, in keeping with an OMB directive last spring, agencies must compile information on their contracting work forces and submit it by October to a central database that keeps an inventory of procurement workers' experience, levels of authority and staffing levels.

OMB is expected to release training requirements for contracting specialists this month, and propose training rules for other procurement-related occupations later in the year.

Meanwhile, many no-bid emergency contracts awarded for Hurricane Katrina relief will likely be examined to see if they need to be bid, said Neal Couture, executive director of the National Contract Management Association.

"I think that's where the bulk of the energy is going to go for Katrina reconstruction [contracts]," he said.

"I think that's a good thing, because you know in their efforts to get services in place, they're forced to go noncompetitively or use maybe a questionable contract vehicle, which isn't the best fit."

The ethics concerns awakened by the Darleen Druyun scandal of 2004 will continue to echo into the new year. The Defense Department is launching a new review process for senior acquisition executives like Druyun, who was jailed after pleading guilty to conspiracy for negotiating an Air Force contract with Boeing while trying to land a job with the company.

"She was viewed from above, by her superiors, as being tough but fair. But a lot of people who worked for her didn't necessarily think she was fair, and the superiors never really saw that side of her," he said. In response, the department is starting so-called "360-degree reviews" of all senior acquisition leaders, with supervisors, peers and subordinates all weighing in on the official's competence and integrity, Cipicchio said.

That's one of several ethics measures meant to drive home the point that ethics matter, he said.

"What we're trying to do is put a few additional tweaks in the system . . . to communicate that we are a culture that values high integrity," Cipicchio said.